

MONTANA DEPARTMENT OF CORRECTIONS
Montana Correctional Enterprises (MCE)
Dam Inspection and Safety Program Project

This Agreement (**10-047-MCE**) is between the Montana Department of Corrections, Montana Correctional Enterprises (MCE), 350 Conley Lake Road, Deer Lodge, Montana, 59722 (hereinafter referred to as Department), and **Hydrometrics, Inc.**, 3020 Bozeman Avenue, Helena MT 59601 (hereinafter referred to as Contractor). The parties to this Agreement, in consideration of the mutual covenants and stipulations set out herein, agree as follows:

Section 1. SCOPE OF WORK. Contractor shall be responsible for engineering services that are generally described within this section. Contractor will provide Department with the following:

- Engineers' detailed periodic inspection of dams located on the Prison Ranch to include the following: Mud Lake, Tin Cup, Kerns Lake, Powell, and Upper Taylor.
- Contractor shall perform inspections and document the results in a report suitable for submission to and meeting the requirements of the Dam Safety Program of the Montana Department of Natural Resources and Conservation, to enable Department to submit said reports to the Dam Safety Program within 90 days of inspection completion.
- In accordance with Montana Dam Safety Rules, the inspection reports shall be submitted to the Department at least 14 days prior to the 90-day deadline to allow Department review and submission to the Dam Safety Program.

Section 2. CONTRACT TERM. This Contract shall take effect upon receipt of final contract signature and shall terminate upon completion of the project and acceptance by the MCE Liaison, unless terminated earlier in accordance with the terms of this Contract. Project completion is anticipated to occur by October 31, 2009; however, this agreement may continue thereafter by mutual consent, confirmed by written notice.

Section 3. LIAISON. All communications to the Department concerning this Agreement shall be addressed to Bill Dabney, MCE Ranch Director, 350 Conley Lake Road, Deer Lodge, Montana 59722, phone number 846-1320 extension 2322. All communications, correspondence and inquiries, whether oral or written to the Contractor, shall be addressed to Larry Cawlfeld, Hydrometrics's Inc., 3020 Bozeman Ave., Helena, MT 59601, 406-443-4150. Any notice or demand shall be given in writing and forwarded by certified or registered mail addressed to Bill Dabney (Department) and Michael R. Wignot, President, Hydrometrics, Inc., 3020 Bozeman Avenue, Helena, MT 59601.

Section 4. COMPENSATION/BILLING. Department shall compensate Contractor for successful delivery of services (or goods), provided pursuant to Section 1, in the following manner:

- A. Department shall pay Contractor a total amount not to exceed twelve thousand and 00/100 Dollars (**\$12,000.00**) for the services described herein.
- B. Department agrees to pay Contractor within 30 days following receipt of a correct invoice.
- C. Department may withhold payments to Contractor if Contractor has not performed in accordance with the terms of this Contract.

- D. Subject to the provisions of Exhibit B (attached fee schedules revised annually), Contractor agrees to furnish and pay for all materials, supplies, labor, transportation, tools, equipment, services, and supervision necessary to perform the services described herein.
- E. The Contract number must be referenced on all invoices and correspondence pertaining to this Contract.

Section 5. COMPLIANCE WITH LAW. Contractor must, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, Contractor agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by persons performing the Contract.

Section 6. LAW AND VENUE. The laws of Montana govern this Contract. The parties agree that any mediation, arbitration or litigation concerning this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees (Ref. 18-1-401, MCA).

Section 7. COMPLIANCE WITH WORKERS' COMPENSATION ACT. Neither Contractor nor its employees are employees of the State. In accordance with sections 39-71-120, 39-71-401, and 39-71-405, MCA, Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana. Contractor shall provide proof of compliance in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and maintain such insurance, exemption, or corporate officer status for the duration of the contract. Contractor shall submit a copy of all renewals of expired insurance and exemptions to: Department of Corrections, Contracts Management Bureau, Attn: Contracts Manager, PO Box 201301, Helena, MT 59620-1301.

Section 8. AMENDMENTS. All amendments to this Contract shall be in writing and signed by the parties.

Section 9. PUBLIC INFORMATION AND OWNERSHIP OF PRODUCTS. Contractor recognizes that this Contract may be subject to public inspection pursuant to Article 2, § 9 of the Montana Constitution. Department has a limited ability to assert a privacy interest in the subject matter of the Contract particularly with respect to information which is in the nature of a "trade secret" as the phrase is defined in federal law. In any event, Contractor agrees to hold Department harmless from any injury caused, in whole or in part, by the review of this agreement by an entity authorized to do so pursuant to Article 2, § 9 of the Montana Constitution.

All copyrights, patents, or other royalty rights resulting from the completion of this Agreement or the information, reports, records, data documents, materials, and end products of this Agreement shall be the sole property of Department.

Copies of documents that may be relied upon by Department are limited to the printed copies (also known as

hard copies) that are signed or sealed by the Contractor. Files in electronic media format of text, data, graphics, or of other types that are furnished by Contractor to Department are only for the convenience of Department. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

Section 10. HOLD HARMLESS AND INDEMNIFICATION. Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, or subcontractors - except the sole negligence of the State under this agreement.

Section 11. ASSIGNMENT, TRANSFER AND SUBCONTRACTING. Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate duties under this Contract, in whole or in part, without the prior written approval of Department. No such written approval shall relieve Contractor of any obligation of this Contract and any transferee or subcontractor shall be considered the agent of Contractor. CONTRACTOR shall remain liable as between the original parties to the Contract as if no such assignment had occurred.

Section 12. ACCESS AND RETENTION OF RECORDS. Contractor agrees to provide Department, the Legislative Auditor, or their authorized agents with access to any records necessary to determine Contract compliance (Ref. 18-1-118, MCA). Contractor agrees to create and retain all records supporting the services rendered and/or supplies delivered for a period of three years after either the completion date of this Contract or the conclusion of any claim, litigation, or exception relating to this Contract taken by the State of Montana or a third party.

Section 13. INTEGRATION. This Contract contains the entire agreement between the parties and no statement, promises, or inducements made by either party or agents thereof, which are not contained in the written Contract, shall be binding or valid. This Contract shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the Contract.

Section 14. TERMINATION.

- A. Department may, by written notice to Contractor, terminate this Contract in whole or in part at any time Contractor fails to perform as required in this Contract.
- B. Either party may terminate this Contract without cause by providing written notice to the other as described in this paragraph. The party desiring to terminate the Contract shall provide written notice to the other, which notice will establish a termination date not less than 30 days from the date of such notice. The termination of this Contract shall not limit any party's pursuit of remedies provided in this Contract or otherwise available under the laws of the State of Montana.
- C. Department, at its sole discretion, may, without 30 days notice, terminate or reduce the scope of this Contract if available funding is reduced for any reason.

- D. Failure on the part of either party to perform the provisions of this Contract constitutes default. Default may result in pursuit of a remedy for breach of Contract including, but not limited to, monetary damages or specific performance.

Section 15. WAIVER. A waiver of any particular provision of this Agreement by Department shall not be construed as a waiver of any other provision, nor shall any such waiver otherwise preclude Department from insisting on strict compliance with this Agreement in other circumstances.

Section 16. LICENSURE. Contractor agrees to provide copies of current licenses and certifications that register Contractor and any associates performing under this Contract.

Section 17. REPORT(S). Progress Reports are to be submitted to the Department on the last day of each month. The report(s) shall contain a description of the tasks completed, a statement of funds expended, and copies of information and reports relevant to the tasks completed. Failure to provide the report as required may cause Department to terminate this Agreement or withhold payments to the contractor.

Section 18. LIQUIDATED DAMAGES. Department reserves the right to assess liquidated damages in the amount of (one-half of one percent (1/2 of 1%) per calendar workday on the amount of contract price) for failure to comply with the conditions of this Agreement. Assessment of liquidating damages may occur if the Contractor is not making a good faith effort to comply with the conditions of this Agreement. This sum may be deducted from Contractor payment(s). No premium will be awarded to the Contractor for delivery/performance in advance of the specified time.

Section 19. AGREEMENT RENEWAL. This Agreement may, upon mutual agreement between the parties and according to the terms of the existing contract, be extended.

Section 20. INSURANCE REQUIREMENTS.

- A. **General Requirements:** Contractor shall maintain for the duration of the Contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

Primary Insurance: Contractor's insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

Deductibles and Self-Insured Retentions: Any deductible or self-insured retention must be declared to and approved by Department. At the request of Department either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, and volunteers; or (2) Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

Certificate of Insurance/Endorsements: A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages must be received by the Contracts Manager, PO Box 201301, Helena, MT 59620-1301 prior to start of work under this Contract. Contractor must immediately notify Department of any material change in insurance coverage, such as changes in limits, coverages, policy status, etc. Department reserves the right to require complete copies of insurance policies at all times.

- B. **Specific Requirements for Commercial General Liability:** Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns or subcontractors.

Additional Insured Status: The State, its officers, officials, employees, and volunteers are to be covered as additional insureds; for liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations; premises owned, leased, occupied, or used.

- C. **Specific Requirements for Professional Liability:** Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, negligence of Contractor or its officers, agents, representatives, assigns or subcontractors. Note: if "occurrence" coverage is unavailable or cost prohibitive, Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the Contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

Section 21. SPECIAL REQUIREMENTS. The Contractor recognizes that the State operates within the confines of a correctional facility. The Contractor agrees not to hold the State liable for loss of business resulting from delays that are beyond the State's control or, from action required by the State to maintain security and order of the correctional facility.

The Contractor and any representative will comply with the policies and procedures of the Montana State Prison facility. The appropriate security arrangements will be required prior to any activity associated with the scope of work as outlined in this agreement. Montana State Prison is a tobacco free facility. All vehicles and persons entering Montana State Prison facility or Department lands are subject to search.

Section 22. COMPLETED CONTRACT. Department cannot disburse any payments under this Contract until a fully executed original Contract is returned to the Department of Corrections, Contracts Management Bureau, PO Box 201301, 1539 11th Avenue, Helena, MT 59620-1301.

SIGNATURE

DEPARTMENT

CONTRACTOR

Gayle Lambert
Gayle Lambert, Administrator
Montana Correctional Enterprises

Mike R. Wignot
Mike R. Wignot, President
Hydrometrics, Inc.

9/9/09
Date

9/15/09
Date

Approved for Legal Content by:

Diana L. Koch 9/1/09
Legal Counsel
Department of Corrections

PROFESSIONAL SERVICES AGREEMENT (SHORT FORM)

This Agreement, dated as of the 2nd of July, 2009, is by and between Montana Correctional Enterprises of the Montana Department of Corrections, whose address is 350 Conley Lake Road, Deer Lodge, MT 59722, hereinafter collectively called the "Company" and Hydrometrics, Inc. whose address is 3020 Bozeman Ave., Helena, MT 59601, hereinafter called the "Contractor."

All communications, correspondence and inquiries, whether oral or written in nature, concerning the performance of this Professional Services Agreement shall be directed to:

Hydrometrics, Inc.

Attention: Larry Cawfield

3020 Bozeman Ave.

Helena, MT 59601

THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. SCOPE OF SERVICES

Exhibit A, Scope of Services, hereto sets forth the scope of Contractor's services which is incorporated herein along with any other Exhibit hereafter called the "Contract Documents." In the event of any inconsistency between this Agreement and the Contract Documents, the terms of this Agreement shall control, and in the event of an inconsistency between Exhibit A and the Contract Documents other than this Agreement, this Agreement shall control.

The parties may, at any time, by written agreement, change, modify or add work, or direct the omission of work and services. If such changes require a change in the time of performance of the work called for hereunder, the rates indicated in the Contract Documents shall be adjusted by reason of any modification issued under this Section.

Neither this Agreement nor the providing of services will operate to make Contractor an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous materials. Company agrees to hold harmless and indemnify Contractor from any such claim or loss.

2. TIME FOR PERFORMANCE

Contractor shall commence work on or about the date of this Agreement and shall continue said work until end of project. It is anticipated that the end of the project will be October 31, 2009; however, this agreement may continue thereafter by mutual consent, confirmed by written notice.

3. MATERIALS, EQUIPMENT AND LABOR

Subject to the provisions of Exhibit B (the fee schedules as revised annually), or any other Contract Document, Contractor undertakes and agrees to furnish and pay for all materials, supplies, labor, transportation, tools, equipment, services and supervision necessary to perform the services herein described.

4. PAYMENTS

Company undertakes and agrees to pay Contractor for doing and performing the work herein specified on the basis described below, and Contractor agrees to accept in full payment for such work at the unit prices and hourly rates specified in Exhibit B attached and updated annually. Contractor agrees that the total fee for services provided hereunder shall not exceed the amount specified in Exhibit B. It is understood that all tasks involving hourly rates will be mutually agreed upon in writing prior to beginning such tasks.

Contractor will present to Company on or before the 25th of each month an invoice, in such detail as may be requested by Company, covering all the compensation for the prior month and including a list of the hours worked, rates, and total charges of each compensation category listed in the Contract Documents. Each invoice shall be supported with reasonable documentation necessary to substantiate the costs and charges. Company will pay Contractor the amount due within fourteen (14) days after date of the invoice. Amounts past due are subject to 1.5 percent interest per month.

Final payment shall be made by Company within fourteen (14) days upon completion of the work by Contractor in a satisfactory manner and upon Contractor furnishing Company with a satisfactory final invoice.

If Company does not pay for Contractor's services as agreed, Contractor may retain all report or work not yet delivered to Company, all other reports and other work in possession of Company will be returned to Contractor upon demand, and reports and other work will not be used by Company for any purpose whatsoever until all invoices are paid in full.

In addition to compensation for services performed under this Agreement, Company agrees to compensate Contractor for reasonable expenses incurred if Contractor is required to respond to legal process related to Contractor's services for Company that arise out of a legal action or proceeding.

5. WARRANTY

Contractor warrants that all services performed herein shall be performed using that degree of skill and care ordinarily exercised and consistent with generally accepted practices for the nature of the services and shall conform to all requirements of this Agreement.

6. FORCE MAJEURE

If either party is prevented in whole or in part from performing its obligations under this Agreement by unforeseeable causes beyond its reasonable control and without its fault or negligence, then the party so prevented shall be excused from whatever performance is affected by such cause, to the performance that is actually affected; provided that such party provided written notice to the other party of such condition within ten (10) calendar days from the onset of such condition. Force Majeure includes but is not limited to, acts of God, labor disputes, financial crisis, fires, riots, civil commotion, interference, restriction or prohibition by federal, state or local governmental authorities and acts of war.

7. SUBCONTRACTS

Contractor shall not employ any Subcontractor without the prior written approval of Company unless such approval is waived in the Contract Documents. Contractor shall advise each such Subcontractor of its obligations to adhere to the applicable terms and conditions of this Agreement. Nothing herein shall be deemed to create a contractual relationship between any such Subcontractor and Company.

8. ASSIGNMENT

Contractor shall not assign or sublet this Agreement in whole or in part nor shall Contractor assign any monies due or to become due it hereunder without the prior consent of Company.

9. REPORTS AND NOTICES

Contractor shall submit preliminary draft reports and final reports as and when called for in the Contract Documents or as reasonably requested by Company. If Company terminates this Agreement, such notice of termination shall specify what reports are to be thereafter submitted by Contractor.

10. RIGHT TO TERMINATE AGREEMENT

If any proceeding is instituted by or against either party seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or the appointment

of a receiver, trustee or other similar official for it or any substantial part of its property or if either party shall admit its inability or fails to pay its debts generally or shall make a general assignment for the benefits of its creditors, or should either party violate any provision of this Agreement and fail to correct such violation promptly after service of written notice thereof by the other party, then the non-breaching party may, without prejudice to any of its other rights or remedy, immediately terminate this Agreement upon written notice.

11. COMPANY'S RIGHT TO TERMINATE AGREEMENT WITHOUT CAUSE

Company may terminate Contractor's services under this Agreement by giving Contractor not less than thirty (30) days written notice of termination setting forth the effective date of termination, due to Contractor's failure to perform the scope of services shown in Exhibit A. In the event of such termination, Company shall pay to Contractor: (a) its reimbursable costs for services performed prior to the effective date of such termination, less payments previously paid by Company on account thereof, and (b) all other reimbursable costs and expenses which Contractor may incur as a result of such termination as reasonably determined by Company. Payment to be made by Company to Contractor as a result of termination of this Agreement with cause shall be due and payable within thirty (30) days after Company's receipt of Contractor's invoices thereof, less any funds advanced Contractor.

12. OWNERSHIP OF DOCUMENTS

Upon completion of the services or termination (for whatever reason) of this Agreement, all documents, reports, patents, copyrights, work in process and all data gathered or developed in connection with the work under this Agreement shall be turned over to and become the property of Company. Contractor may retain and use copies thereof in the normal course of its business.

13. CONFIDENTIALITY AND CONFLICTS OF INTEREST

Contractor agrees to hold in strict confidence any proprietary information or other confidential data, findings, or results (the "Information"). This Section shall not apply to any information or portions of such Information which (a) are or become generally available to the public other than as a result of a disclosure by Contractor, or (b) become available to Contractor on a non-confidential basis from a source other than Company.

14. INDEPENDENT CONTRACTOR

It is understood and agreed that in the performance of the work herein specified, Contractor is an independent contractor, responsible to Company only as to the results to be obtained in the work herein specified, and to the extent that the work shall be done in accordance with the terms, plans and specifications furnished by Company.

Contractor will provide health and safety programs for its employees, but Contractor will not be responsible for Company, job, or site health or safety unless Contractor accepts that duty in writing.

15. LAWS AND REGULATIONS

Contractor agrees to comply fully with all Worker's Compensation, all other applicable state and Federal laws and regulations, and municipal ordinances.

16. INSURANCE AND INDEMNITY

Contractor shall, for the mutual protection and benefit of both Company and Contractor, procure, pay for and maintain in full force and effect, at all times during the performance of the work and until final acceptance of the work, policies of insurance issued by carriers acceptable to Company which afford the following coverages:

Insurance

Minimum Contract Requirement

Workers' Compensation

Statutory

Employers' Liability

Not Less than \$500,000

Comprehensive General Liability including Independent Contractor's Broad Form Contractual, Broad Form Property Damage, Personal Injury, Completed Operations and Products Coverages (Such Completed Operations and Products coverages shall be provided for a period of two (2) years after final completion and final acceptance of the work by Owner), and deletion of any exclusion pertaining to explosion, collapse, underground property damage, radiation and pollution hazards.

Not less than \$1,000,000 combined single limit for both bodily injury and property damage

Professional Liability

Not less than \$1,000,000 for each expense and aggregate limits

Comprehensive Automobile Liability including Owned, Non-Owned, and Hired car coverages.

Not less than \$1,000,000 combined single limit for both bodily injury and property damage

Contractor hereby agrees to deliver to Company, at least ten (10) business days of the date hereof and prior to any equipment or personnel being brought onto Company's premises in accordance with the terms of this Agreement, Certificates of Insurance evidencing the above coverage with limits not less than those specified above. Such Certificates, with the exception of Workers' Compensation shall name Company, its subsidiaries, directors, officers, agents and employees as additional insured and shall expressly provide that the interest of same therein shall not be affected by any breach by Contractor of any policy provision for which such Certificates evidence coverage. All policies except Workers Compensation and auto liability shall contain endorsements waiving the insurers' right of subrogation against Company, its subsidiaries, agents and affiliated companies, and their directors, officers, agents and employees. All Certificates shall expressly provide that no less than thirty (30) days prior written notice shall be given Company in the event of material alteration to or cancellation of the coverage evidenced by such Certificates. Further, all policies shall contain endorsements waiving the insurers' right of subrogation against Company and its directors, officers, agents, and employees.

Contractor hereby agrees to protect, defend, indemnify and hold harmless Company, its directors, officers, or agents from and against any and all penalties, fines expenses, losses, suit(s), action(s), claim(s), or proceeding(s), liability or damages and from and against all costs and expenses, suit(s), action(s), claim(s) or proceeding(s) brought by or in favor of any state, county or other governmental agency or instrumentality or by any person or persons against Company, its directors, officers, or agents on account of the violation of any applicable laws or ordinances, bodily injury including death, disability, sickness and any loss arising therefrom, or property or other damages, arising out of, occasioned by or in any way attributable to the negligent acts or omissions of Contractor, its agents, employees, subcontractors or representatives for performance of services as set forth in this Agreement. This indemnity shall survive the termination of this Agreement.

Company hereby agrees to protect, defend, indemnify and hold harmless Contractor, its directors, officers, or agents from and against any and all penalties, fines, expenses, losses, suit(s), action(s), claim(s), or proceeding(s), liability or damages and from and against all costs and expenses, suit(s), action(s), claim(s) or proceeding(s) brought by or in favor of any state, county or other governmental agency or instrumentality or by any person or persons against Contractor, its directors, officers, or agents on account of the violation of any applicable laws or ordinances, bodily injury including death, disability, sickness and any loss arising therefrom or property or other damages, arising out of, occasioned by or in any way attributable to the negligent acts or omissions of Company its agents, employees, subcontractors or representatives for performance of services as set forth in this Agreement. This indemnity shall survive the termination of this Agreement.

17. AUDIT

Company shall have the right, to be exercised in writing not later than six (6) months after receipt of final invoice, to have its auditors review such records of Contractor as may be necessary to substantiate calculations and figures utilized by Contractor in determining billing procedures and amount.

18. NOTICE

Whenever in this Agreement it is provided that notice or demand be given by either party to the other, such notice or demand shall be given in writing and forwarded by certified or registered mail addressed as follows:

To Company at: Mr. Bill Dabney
Montana Correctional Enterprises
Montana Department of Corrections
350 Conley Lake Road
Deer Lodge, MT 59722

To Contractor at: Mr. Michael R. Wignot, President
Hydrometrics, Inc.
3020 Bozeman Avenue
Helena, MT 59601

Any party to whom notice is required to be given may change such address by written notice by certified or registered mail to the other party.

19. SOLICITATION OF EMPLOYEES

During the term of this contract and for one year thereafter, Company shall not solicit or offer employment to any individual employed by or under contract to Contractor, or its affiliated and associated companies.

20. ENTIRE AGREEMENT AND AMENDMENTS

This instrument contains the entire Agreement between the parties covering the subject matter. No modifications or amendments shall be valid unless in writing and signed by both parties.

21. SEVERABILITY

If any portion of this Agreement is found to be invalid or unenforceable, the validity of the remaining provisions of the Agreement shall not be affected.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COMPANY

by: [Signature]
Signature

by: Bill Labonay
Print Name

its: sq director
Print Title

7-2-09
Date

CONTRACTOR
(Hydrometrics, Inc.)

by: [Signature]
Signature

by: Michael R. Wignot
Print Name

its: President
Print Title

6/30/09
Date

ATTACHMENT A

SCOPE OF WORK

The work shall include a detailed engineer's periodic inspection of the following dams located on the Prison Ranch: Mud Lake, Tin Cup, Kerns Lake, Powell, and Upper Taylor. Contractor shall perform their inspection and document the results of the inspection in a report suitable for submission to and meeting all the requirements of the Dam Safety Program of the Montana Department of Natural Resources and Conservation.

Contractor's fee for performing these services shall not exceed \$12,000 without prior written approval from the Company. In accordance with Montana Dam Safety Rules, the inspection reports shall be submitted by the Company to the Dam Safety Program within 90 days of conducting the inspections. The Contractor shall submit the reports to the Company at least 14 days prior to the 90-day deadline to allow the Company to review and send the reports to the Dam Safety Program

ATTACHMENT B
YEAR 2009
PROFESSIONAL FEE SCHEDULE

Position	Rate (\$ per hour)
Specialist I	\$42.00
Specialist II	\$49.00
Specialist III	\$55.00
Specialist IV	\$59.00
Specialist V	\$64.00
Specialist, Senior	\$69.00

Specialist classification includes Administration, Records, Secretarial

Technician I*	\$49.00
Technician II*	\$56.00
Technician III*	\$62.00
Technician IV*	\$65.00
Technician V*	\$70.00
Technician, Senior	\$75.00

Technician classification includes Biology, Chemistry, Computer, Drafting, Environmental, Geology, Geochemistry, Health, Hydrology, Hydrogeology, Laboratory, Reclamation, Resource, Safety, Toxicology

Engineer/Scientist I	\$67.00
Engineer/Scientist II	\$78.00
Engineer/Scientist III	\$88.00
Engineer/Scientist IV	\$96.00
Engineer/Scientist V	\$105.00
Engineer/Scientist VI	\$111.00
Registered Professional	\$117.00

Engineering classification includes Chemical, Civil, Geological

Scientist classification includes Biology, Chemistry, Computer, Environmental, Geology, Geochemistry, Health, Hydrology, Hydrogeology, Reclamation, Resource Specialist, Safety, Toxicology

Project Manager I	\$94.00
Project Manager II	\$102.00
Project Manager III	\$109.00
Project Manager IV	\$112.00
Project Manager V/Senior Advisor or Reviewer	\$120.00

* These positions charged at rate shown plus 25% for time over 8 hours/day or 40 hours/week or on holidays and weekends.

• All expert witness fees are charged at 1.5 times the rates shown above.

• Terms -- A finance charge of 1.5% per month will be charged on all bills 30 days past due from invoice date.

01/01/09